May 2008

The demand for affordable housing exceeds supply.

The unmet affordable housing need through the year 2010 in Lake County is conservatively estimated at 575 low-income households. Meanwhile, the number of households in the state spending more than half of their income on housing increased from 1 in 15 in 2000 to 1 in 8 in 2006. Minnesota experienced the fastest increase of extremely cost burdened households of any state in the nation during this time period.

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Renters</th>
<th>Home Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Households Paying Over 30% in Rent</td>
<td>Percent of Households Paying Over 30% in Rent</td>
</tr>
<tr>
<td>Less than $19,999</td>
<td>208</td>
<td>54%</td>
</tr>
<tr>
<td>$20,000-$34,999</td>
<td>6</td>
<td>5%</td>
</tr>
<tr>
<td>$35,000-$49,999</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

The table above shows the number and percent of households in different income brackets that pay over 30% of household income for rental or ownership costs. It illustrates that the burden of housing costs weighs more heavily on lower-income families.

About 84% of Lake County residents own their home and 16% are renters.

Generally, when households spend more than 30% of their income to meet housing costs, they do not have enough income to meet other basic needs or weather financial setbacks.
Lower-income households face extreme affordability challenges.

The chart below compares the median earnings of different workers to the income required for affordable housing.\(^5\) The median household income for Lake County was $43,250 in 2006.\(^6\)

![Housing Affordability by Occupation, Lake County](chart.png)

In Lake County, a median-priced home is $119,900, and the fair market rent for a two bedroom apartment is $562 per month. Since 2000, home prices have increased by 61.9% and fair market rent has increased by 28.0%.\(^7\)

Approximately 13% of homeowners and 30% of renters in Lake County spend over 30% of their household income on housing.\(^8\)

In Lake County, a family of four with two full-time wage earners needs to earn a combined annual salary of $45,288 to afford the basic cost of living.\(^9\)

34% of jobs in Lake County and counties nearby pay less than the regional wage required to afford basic needs.\(^10\)

The average annual unemployment rate in Lake County was 4.4% in 2007.\(^11\)

**Foreclosures in Minnesota**
- In Lake County in 2007, there were about 46 foreclosures, a 360% increase from 2005.\(^12\)
- Left unaddressed, abandoned foreclosed properties destabilize neighborhoods, erode the local tax base and drive up the costs of municipal services.

**Homelessness in Minnesota**
- In 2006, 28% of all adults experiencing homelessness in Minnesota reported income from work, with 12% working full time.\(^13\)
- 39% of Minnesota's homeless population cite the inability to afford housing as a primary reason for leaving previous housing.\(^14\)
- Roughly 9,200 Minnesotans are homeless and 7,700 are precariously housed in temporary or unstable housing. Thirty-eight percent (38%) of these are children and youth.\(^15\)
- On a single day in 2006, 74 people were sheltered in the Northeast Region, including 31 children.\(^16\)

**Extreme Cost Burden**
- Approximately 10% of renter households pay over 50% of their income on housing in Lake County.\(^17\)
- For homeowner households in Lake, 5% pay over 50% of their income on housing.\(^18\)

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**Sources:**